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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

<p>12 In the Matter of:</p> <p>13 THE COMMISSIONER OF BUSINESS</p> <p>14 OVERSIGHT,</p> <p>15 Complainant,</p> <p>16 v.</p> <p>17 GOOI MORTGAGE, INC., an Iowa</p> <p>18 Corporation,</p> <p>19 Respondent.</p>	<p>CRMLA NO.: 41DBO-70668</p> <p>ORDER DENYING CALIFORNIA</p> <p>RESIDENTIAL MORTGAGE LENDER</p> <p>LICENSE</p>
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22 The Commissioner of Business Oversight (Commissioner) finds that:

1. Gooi Mortgage, Inc. (Gooi Mortgage) is an Iowa corporation formed on December 19, 2014, with a registered place of business at 1901 Bell Avenue, Suite #4, Des Moines, Iowa.
2. On April 24, 2017, Gooi Mortgage electronically filed and transmitted through the Multistate Licensing System and Registry (NMLS) a residential mortgage lender application, or Company MU1 filing, with the Commissioner pursuant to the CRMLA.

1 3. Gooi Mortgage included as an exhibit to the application the company’s audited financial
2 statements as of December 31, 2015, and December 31, 2016. Gooi Mortgage’s audited financial
3 statements reported that the company’s net worth for the fiscal years of 2015 and 2016, respectively,
4 was \$60,050.00 and \$330,550.00. Further analysis of Gooi Mortgage’s 2016 audited financial
5 statements revealed Gooi Mortgage’s tangible net worth was \$74,959.00. Accordingly, Gooi
6 Mortgage failed to satisfy the \$250,000.00 tangible net worth requirement for the fiscal years 2015
7 and 2016 as required under Financial Code section 50122(b)(1) and Code of Regulations section
8 1950.122.4(a)(4).

9 4. On March 28, 2018, a license item was created in NMLS to inform Gooi Mortgage that the
10 company’s 2016 audited financial statements did not meet the CRMLA financial requirements and
11 Gooi Mortgage was instructed to upload its 2017 audited financial statements.

12 5. On March 30, 2018, Gooi Mortgage uploaded a letter from Community CPA & Associates
13 (Community), along with unaudited financial statements. The letter confirmed that Gooi Mortgage
14 retained the services of Community to conduct the 2017 financial statements audit and that the audit
15 would be finalized by April 15, 2018.

16 6. On May 1, 2018, Gooi Mortgage uploaded its audited financial statements in NMLS, which
17 reported that the company’s net worth for the fiscal year 2017 was \$224,204.00. Further analysis of
18 the company’s 2017 audited financials revealed Gooi Mortgage’s tangible net worth was
19 \$119,449.00. Gooi failed to satisfy the \$250,000.00 tangible net worth requirements for the fiscal
20 year of 2017 as required under Financial Code section 50122(b)(1) and Code of Regulations section
21 1950.122.4(a)(4).

22 7. In addition, the 2016 and 2017 audited financial statements’ an independent certified public
23 accountant auditor’s report (IAR) found that Gooi Mortgage incurred two consecutive years of net
24 losses and negative cash flows from operations, which raised substantial doubt about the company’s
25 ability to continue as a going concern. The 2015 audited financial statement’s notes also included a
26 disclosure that stated that Gooi Mortgage’s net loss in 2015 raised substantial doubt regarding the
27 company’s ability to continue as a going concern.

28 8. Financial Code section 50122, subdivision (b)(1), provides that a license application for a

1 California residential mortgage lender or servicer shall include “[a] statement of financial solvency,
2 noting the net worth requirements and supported by an audited financial statement prepared by an
3 independent certified public accountant, and access to the supporting credit information as required
4 by this division.” As described above, Gooi Mortgage’s audited financial statements for 2015, 2016
5 and 2017 lacked a statement of financial solvency in violation of Financial Code section 50122(b)(1).

6 9. California Code of Regulations, title 10, section 1950.122.4, subdivision (a)(4), provides that
7 a license applicant for a California residential mortgage lender or servicer shall submit through
8 NMLS as an exhibit to Form MU1 audited financial statements with an unqualified opinion prepared
9 by an independent certified public accountant in accordance with generally accepted accounting
10 principles and acceptable to the Commissioner. The audited financial statements shall be prepared as
11 of the applicant's most recent fiscal year end, or a more recent date, and must document a minimum
12 tangible net worth of \$250,000. (10 C.C.R. 1950.122.4(a)(4)).

13 10. The Commissioner finds, by reason of the foregoing, that Gooi Mortgage failed to meet the
14 \$250,000.00 tangible net worth requirement for the fiscal years 2015, 2016 and 2017 in violation of
15 Financial Code section 50122(b)(1) and Code of Regulations section 1950.122.4(a)(4).

16 11. On March 14, 2019, the Commissioner issued a Notice of Intention to Deny California
17 Residential Mortgage Lender License, Statement of Issues, and accompanying documents (pleadings)
18 with respect to the above findings.

19 12. On or around March 15, 2019, Gooi Mortgage was served with the above-mentioned
20 pleadings. Gooi Mortgage did not file a request for hearing and the time to do so has expired.

21 13. Based on the foregoing findings, pursuant to Financial Code section 50327, the Commissioner
22 denies Gooi Mortgage’s application for a California residential mortgage lender license.

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NOW GOOD CAUSE APPEARING THEREFORE, is it ordered that the application for a California residential mortgage lender license by Gooi Mortgage, Inc. is denied. This order is effective as of the date thereof.

Dated: May 3, 2019
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division